



V. Service Retirement

The “Standard Early Retirement, Alternative A” is available to you beginning at age 55, provided you have at least five years of credited service.

An additional requirement for retirement is:

- at least one year of credited service must have been performed after the most recent refund

OR

- retirement must be concurrent with retirement under the California Public Employees’ Retirement System, University of California Retirement System, San Francisco City and County Employees’ Retirement System, Legislators’ Retirement System or a system covered by the County Employees’ Retirement Law of 1937.

Early Retirement Alternatives

A. Standard Early Retirement (Alternative A)

If you have at least five years of credited service and are at least age 55 but under age 60, you may retire early with a reduced allowance. The monthly allowance is calculated in the same manner as normal retirement. However, the 2 percent age factor used at age 60 is reduced for each full or partial month between your age at retirement and your 60th birthday.

B. 30 and Out (Alternative B)

If you are at least age 50 but under age 55, with at least 30 years of credited service, you can apply for retirement under this alternative. The monthly allowance is calculated in the same manner as normal retirement. However, the 2 percent age factor used at age 60 is reduced for each full or partial month between your age at retirement and your 60th birthday. While the age factor is reduced, the career factor of 0.2 percent for 30 years or more of service credit is added to the age factor.

A As you consider the decision to retire, there are several questions you will need to address. Should you retire at age 60, age 63 or earlier? Should you consider filing for disability retirement? How will you provide a continuing allowance for a survivor?

If you have not already done so, before you file an application for service retirement, you may wish to make an appointment with a CalSTRS regional counselor in your area to discuss retirement planning and receive an estimate of your retirement benefit. (If you are considering filing for disability retirement, please refer to Section VI, Disability Benefits Programs.)

When Can I Retire?

You may retire before age 60; however, the “normal retirement” age factor of 2 percent will be reduced for each month you are younger than age 60.

The earliest you can retire is at age 50. See “30 and Out” explained at right for details.



SECTION V

SERVICE RETIREMENT



SECTION V

SERVICE RETIREMENT

C. Early Retirement Limited Term Reduction Program (Alternative C):

If you are at least age 55, but under age 60, and have at least five years of credited service, you can apply for retirement under this alternative. You will receive one-half the monthly allowance amount calculated as if you were age 60. The reduced allowance will continue for the same number of months after age 60 that you received benefits before age 60. After that, the normal service retirement allowance will be paid.

Note: Although cost-of-living adjustments will accrue for Alternative C, increases are not payable under this alternative until the normal service retirement allowance is paid. (See page 28 for more information about COLAs.)

How to Calculate Your Defined Benefit Retirement Allowance

Allowance Formula

Service Credit
x Age Factor

x Final Compensation
= Retirement Allowance (unmodified)

The formula for calculating an unmodified Defined Benefit retirement allowance includes three elements:

1. Service Credit: Your years (full and partial) of credited service. You must have worked full time during the year to receive one full year of service credit. Refer to your CalSTRS annual statement of account for your service credit.

Sick Leave Credit

Additional service credit for unused sick leave will be granted at retirement. The service credit granted for unused sick leave is determined by dividing the number of accumulated unused sick leave days (as certified by your last employer) by the number of base service days (excluding school and legal holidays) required to complete the last school year if employed full time.

If employed on a part-time basis, the base service day are calculated in proportion to the full-time equivalent.

Sick leave service credit cannot be used to meet eligibility requirements for service retirement or used to qualify for the career factor and longevity bonus given for 30 or more years of service credit or the 25-year threshold for one-year final compensation.

The formula for determining unused sick leave is:

Accumulated Days of Unused Sick Leave ÷
Number of Base Days for Full-Time Service =
Service Credit Amount Granted

2. Age Factor: The age factor is the percent of pay that you are entitled to for each year of service credit. This percentage is determined by your age on the last day of the month in which your retirement is effective. At age 63 or older, you are entitled to a 2.4 percent age factor. (See the table on page 30 for age factors.)

Career Factor

A 0.2 percentage point career factor will be added to your age factor if you retire with at least 30 years of earned service credit up to a maximum age factor of 2.4 percent. Service credit from unused sick leave, the Golden Handshake program or the purchase of nonqualified service credit cannot be used to qualify for the career factor.

3. Final Compensation: Members who retired on or after January 1, 2001, with 25 years of CalSTRS service credit, will automatically have their highest one-year compensation used as the final compensation component in their retirement calculation. Unused sick time, nonqualified service credit and Golden Handshake credit cannot be used to qualify for this benefit.

For members with less than 25 years of service credit, final compensation is based on the highest average earnable compensation by a member during any period of three consecutive* years of paid employment covered by CalSTRS.

**Nonconsecutive final compensation is available for those members who received a salary reduction due to a reduction in school funds. Upon certification from the employer,*

CalSTRS will use any three nonconsecutive school years to determine final compensation.

Use of one-year final compensation is available for eligible classroom teachers with less than 25 years of service credit provided it has been included in a written collective bargaining agreement and all costs are paid by the employer, the employee or a combination of the two.

The annual earnable compensation for a school year is based on the gross monthly pay rates that could have been earned for creditable service performed on a full-time basis. Your gross monthly pay rate earnable per pay period is multiplied by the number of months in which you received compensation. If you plan to retire before the end of the school year, the annual earnable compensation for that year is prorated to your retirement date.

CalSTRS will use your last 12 consecutive months of creditable earnings (or the last 36 consecutive months, if applicable) in determining your final compensation unless you specify another time frame on your retirement application.

Final compensation for members who work part time at more than one pay rate is equal to the sum of the member's earnings divided by the sum of his or her service credit earned during the final compensation period.

Members who retire on or after July 1, 2002, and have earned creditable compensation at multiple pay rates during a school year may benefit from the ".900 rule." With the ".900 rule," if service credit at the highest pay rate is at least .900 in a school year, then final compensation will be determined as if all service credit for that school year had been earned at the highest pay rate.

Longevity Bonus

A longevity bonus will be permanently added to the monthly unmodified retirement allowance of those members who retire on or after January 1, 2001, and accumulate at least 30 years of credited service by January 1, 2011. An inactive member at the time of retirement can still qualify for the longevity bonus.

Nonqualified service credit ("air time"), unused sick leave credit or Golden Handshake credit cannot be used to qualify for the longevity bonus.

A member who earns at least 30 years of service credit before January 2011 will qualify for the longevity bonus for that higher amount of service credit.

The longevity bonus amount will depend on the years of service credit at retirement.

If earned	Will receive monthly
30 years	\$200
31 years	\$300
32 or more years	\$400

The longevity bonus will be:

- added on top of the .2 percent career factor
- subject to the annual CalSTRS 2 percent simple cost-of-living adjustment
- modified as is the retirement allowance if a member selects an option
- reduced if a member cancelled a pre-retirement election of an option

Example — Career Factor, Longevity Bonus & One-Year Final Compensation

Retirement Allowance Calculation

John retires at age 60 with 30 years of credited service. His highest annual earnable compensation was \$48,000 for an average monthly final compensation of \$4,000 ($\$48,000 \div 12 = \$4,000$)

30 (service credit)
x 2.2% (2% age factor +
.2 career factor)
x \$4,000 (final compensation)

$30 \times 2.2\% = 66\% \times \$4,000 = \$2,640$
 $\$2,640 + \200 (longevity bonus) =

John's Unmodified Monthly Allowance = \$2,840

Unmodified Allowance

The unmodified allowance is usually the highest monthly allowance available to retired CalSTRS members. It does not provide for a monthly income to a survivor after the member's death.

The unmodified benefit will provide you with a monthly allowance for your lifetime. Benefits will stop upon your death. Your beneficiary(ies)



SECTION V

SERVICE RETIREMENT





SECTION V



SERVICE RETIREMENT


is guaranteed a return of any contributions and interest credited to your account at the time of retirement, minus the total amount already paid to you.

If you wish to provide a monthly income to a beneficiary(ies) after your death, you must elect an option. (See Electing an Option, page 31, for additional information.)

Partial Lump Sum

If you are age 60 and 3 months or age 60 with 30 years or more of service credit in the month you retire, you can receive part of your retirement allowance as a lump-sum payment. In exchange for Partial Lump Sum, your retirement allowance is permanently reduced.

The maximum lump-sum payment can be up to 15 percent of the present value of your unmodified retirement allowance. (The present value is the total amount that CalSTRS is expected to pay you over your lifetime.)



You can have your PLS paid to you or rolled over to another retirement plan. You are not permitted to do both. A rollover must be done through a trustee-to-trustee transfer to a qualified plan such as a 403(b). If you choose a rollover, the minimum PLS must be at least twice the amount of your new monthly retirement benefit after the permanent reduction from the PLS is calculated.



Tax Implications

If you transfer our PLS to a qualified plan through a direct trustee-to-trustee transfer, you will not owe any taxes until you start taking payments (called distributions) from that plan. PLS distributions paid to you, however, are subject to federal and state income tax withholding.

If you choose a distribution payable to you, CalSTRS must withhold 20 percent of the distribution for federal income tax and 6 percent for state income tax. You can request to have no state income taxes withheld using the Service Retirement Applications or PLS Election forms.

You must choose PLS before your retirement effective date, and you can only cancel or

change the amount of your PLS before that date. Once you retire, your decision to elect or not elect PLS or the amount of the lump sum is irrevocable.

For more information about PLS request the Partial Lump Sum brochure available by calling CalSTRS or on the CalSTRS Web site. Use the Web calculator to estimate the PLS amount you could receive.

Cost-of-Living Adjustment

Each year, you will receive an increase equal to 2 percent of your initial allowance, beginning on September 1 after the first anniversary of your retirement. The adjustment will be reflected on your October 1 payment. COLAs are not compounded.

Return from Disability

The calculation of your service retirement allowance is different if you reinstate to active member status after receiving a disability allowance or a disability retirement and later take a service retirement. Please contact CalSTRS for details.

Purchasing Power Protection

Purchasing power is a measurement of how your retirement allowance keeps pace with inflation. For example, if your benefit stays the same, but prices have doubled, your purchasing power is only 50 percent of what it was.

In addition to the annual COLA, two types of post-retirement benefit enhancements support the purchasing power of retired CalSTRS members:

- ad hoc, or one-time, permanent increases occasionally granted by the Legislature to supplement the 2 percent adjustment.
- one-year supplemental benefit payments, payable in quarterly installments, with amounts dependent on the money available for that year from School Lands funds and statutorily fixed General Fund appropriations. These payments are made to retired members and beneficiaries whose allowances have fallen below a certain level of purchasing power. Purchasing power protection level is set at 80 percent.

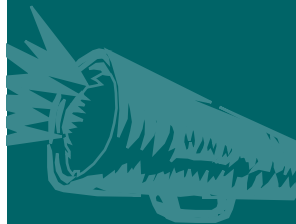
Allowance Estimate Worksheet

CalSTRS recommends you see a retirement counselor before making any decisions about your retirement.



SECTION V

SERVICE RETIREMENT



Example

Mary is retiring at age 60 with 24.250 years of service.

Step #1

Determine Service Credit and Age Factor

Service Credit = 24.250
(years of service)

Age Factor = 2%
based on Mary's age at retirement
(see Age Factor Table, page 30)

Step #2

Determine Final Compensation

Mary's highest three consecutive school years of earnable compensation

2001–2002	\$48,000
2000–2001	\$47,000
1999–2000	\$45,000

Total Earnable Compensation \$140,000
÷ 36 months

Monthly Final Compensation \$3,888.89

Step #3

Calculate Allowance

Service Credit	24.250
x Age Factor	x .02
x Final Compensation	x \$3,888.89

Mary's unmodified monthly allowance = \$1,886.11

Your Estimate

You plan to retire at age _____

Step #1

Service Credit = _____
(years of service)

Age Factor = _____
(see Age Factor Table, page 30)
(if applicable, include career factor, see page 26)

Step #2

Enter your highest three consecutive school years of earnable compensation (if applicable, use one-year final compensation, see page 27)

\$ _____
\$ _____
\$ _____

Total Earnable Compensation \$ _____

÷ 36 months
(or ÷ 12 months, if eligible for one-year final compensation)

Monthly Final Compensation \$ _____

Step #3

Service Credit	_____
x Age Factor	x _____
x Final Compensation	x _____

+ Longevity Bonus + _____
(if applicable, see page 27)

Your unmodified monthly allowance = \$ _____

SECTION V

SERVICE RETIREMENT

Age Factor Table

The age factor is a percentage determined by your age in years and months on the last day of the month in which your retirement is effective. The age factor is increased by a career factor of 0.2 percent if you have 30 or more years of service credit on the day you retire.

The age factor equals 2 percent at age 60.

From age 55 to 60, the factor is reduced by 0.01 (one one-hundredth) of a percent for each month or fraction of a month in which you are under age 60.

For example, if you are age 55 and six months when you retire, your age factor is 1.46 percent.

For Early Retirement Alternative B ("30 and Out"), the factor is further reduced by 0.005 (one-half of one one-hundredth) percent for each month or partial month under age 55. The resulting factor is increased by the 0.2 percent career factor.

Between age 60 and 63, the 2 percent age factor is increased by 0.033 for each quarter year of age that the member is over age 60, up to a maximum age factor of 2.4 percent. If the member qualifies for the 0.2 percent career factor by having at least 30 years of service credit, the maximum age factor of 2.4 percent is reached at age 61 and six months.

Age Factor Table

(expressed as percentages)

	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
63	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400	2.400
62	2.267	2.267	2.267	2.300	2.300	2.300	2.333	2.333	2.333	2.367	2.367	2.367
61	2.133	2.133	2.133	2.167	2.167	2.167	2.200	2.200	2.200	2.233	2.233	2.233
60	2.00	2.00	2.00	2.033	2.033	2.033	2.067	2.067	2.067	2.100	2.100	2.100
59	1.88	1.89	1.90	1.91	1.92	1.93	1.94	1.95	1.96	1.97	1.98	1.99
58	1.76	1.77	1.78	1.79	1.80	1.81	1.82	1.83	1.84	1.85	1.86	1.87
57	1.64	1.65	1.66	1.67	1.68	1.69	1.70	1.71	1.72	1.73	1.74	1.75
56	1.52	1.53	1.54	1.55	1.56	1.57	1.58	1.59	1.60	1.61	1.62	1.63
55	1.40	1.41	1.42	1.43	1.44	1.45	1.46	1.47	1.48	1.49	1.50	1.51
54	1.34	1.345	1.35	1.355	1.36	1.365	1.37	1.375	1.38	1.385	1.39	1.395
53	1.28	1.285	1.29	1.295	1.30	1.305	1.31	1.315	1.32	1.325	1.33	1.335
52	1.22	1.225	1.23	1.235	1.24	1.245	1.25	1.255	1.26	1.265	1.27	1.275
51	1.16	1.165	1.17	1.175	1.18	1.185	1.19	1.195	1.20	1.205	1.21	1.215
50	1.10	1.105	1.11	1.115	1.12	1.125	1.13	1.135	1.14	1.145	1.15	1.155

Note: You must have 30 years of service credit to retire between the ages of 50 and 55.

Career Factor

If you have 30 or more years of credited service, add 0.2 percent to the age factor on the above chart. The maximum age factor with the career factor is 2.4.

Example:	Age	Without career factor	With career factor
	61 - 3 mos.	2.167%	2.367%
	61 - 9 mos.	2.23%	2.400%*

*Maximum age factor

Electing an Option Under the Defined Benefit Program

How can I provide continuing benefits to a survivor if I die after I retire?

An option is a plan feature that allows you to redistribute your retirement allowance over both your life and the life of another person or persons. To do this, you would elect one of the following options. Once you retire, your option election is irrevocable, except under limited circumstances. (See page 32). You cannot designate a trust or organization as your option beneficiary.

Option 2*

Option 2 provides you with a modified lifetime monthly allowance. When you die, your option beneficiary continues to receive the same monthly allowance you were receiving.

**Option 1 has been discontinued*

Option 3

Option 3 provides you with a larger monthly allowance than under Option 2.

However, when you die, your option beneficiary's allowance will be one-half the amount you were receiving.

Option 4

Option 4 provides a modified monthly allowance while both you and your option beneficiary are living. In the event of the death of either you or your option beneficiary, the survivor will receive two-thirds the modified allowance.

Option 5

Option 5 provides a modified monthly allowance while both you and your option beneficiary are living. Upon your death or the death of the option beneficiary, the survivor will receive one-half the modified allowance.

Option 6

Option 6 provides you with a modified monthly retirement allowance. Upon your death, your option beneficiary will continue to receive the same modified allowance that you

Sample Percentages of Unmodified Allowance under Options 2-7

The table shows the percentage of the unmodified service retirement allowance under Options 2 through 7 for a member, age 60, who designates an option beneficiary, age 57. The percent-ages for other age combinations can be obtained from CalSTRS.

Unmodified allowance = 100%

OPTION 2

same allowance to option beneficiary

86.3% Member and Option Beneficiary Living

86.3% Option Beneficiary's Allowance after Member's Death

86.3% Member's Allowance after Option Beneficiary's Death

OPTION 4

two-thirds to survivor

92.1% Member and Option Beneficiary Living

61.4% Option Beneficiary's Allowance after Member's Death

61.4% Member's Allowance after Option Beneficiary's Death

OPTION 6

same allowance to option beneficiary (100% to member)

85.3% Member and Option Beneficiary Living

85.3% Option Beneficiary's Allowance after Member's Death

100% Member's Allowance after Option Beneficiary's Death

OPTION 3

one-half to option beneficiary

93.9% Member and Option Beneficiary Living

47% Option Beneficiary's Allowance after Member's Death

93.9% Member's Allowance after Option Beneficiary's Death

OPTION 5

one-half to survivor

96.1% Member and Option Beneficiary Living

48% Option Beneficiary's Allowance after Member's Death

48% Member's Allowance after Option Beneficiary's Death

OPTION 7

one-half to option beneficiary (100% to member)

93.3% Member and Option Beneficiary Living

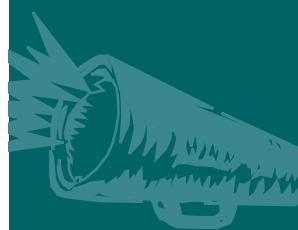
46.7% Option Beneficiary's Allowance after Member's Death

100% Member's Allowance after Option Beneficiary's Death



SECTION V

SERVICE RETIREMENT






SECTION V



SERVICE RETIREMENT




received. If the option beneficiary dies before you, your allowance will rise to the unmodified level.

Option 7

Option 7 provides you with a modified monthly retirement allowance, with the reduction less than that under Option 6. Upon your death, your option beneficiary will receive one-half the modified allowance. If the option beneficiary dies before you, your allowance will rise to the unmodified level.

Option 8



The Option 8 modified monthly retirement allowance depends on the ages and options selected for two or more option beneficiaries. You must name more than one option beneficiary and select from among Options 2 through 7 for each beneficiary. You may retain a portion of your allowance as unmodified and/or select a different allowance percentage for each beneficiary. Upon your death, your option beneficiaries will each receive an allowance as provided by the formula used to calculate benefits under each option selected. If an option beneficiary predeceases you, your allowance will change as stated under the selected option.



How is the modification under an option calculated?

The formula for calculating an allowance modified by the election of an option is:

$$\frac{\text{Unmodified Allowance} \times \text{Option Factor}}{\text{Modified Allowance Amount}}$$

Your age and the age of your option beneficiary(ies) on the effective date of retirement (or time of election of a pre-retirement option), plus the option you elect, determine the option factor that will be used in calculating your modified allowance. A sample range of option percentages is shown on the tables starting on page 36.

An option provides you with a modified retirement allowance based on a percentage of your unmodified allowance. If you choose an option *at the time you retire*, the percentage is based on your age and the age of your option beneficiary(ies) as of your effective date of retirement.

If you decide to choose an option *before* retirement, the option factor when you retire will be the higher of the option factor in effect when the option was chosen before retirement or on the date of retirement. (See page 22 for more details about pre-retirement election of an option.)

The option you elect will determine the allowance your option beneficiary(ies) receives following your death or the allowance you receive following your option beneficiary's death.

May I add, change or cancel my option selection?

Once you retire, your option election can be changed only under the following four circumstances:

1. Death—If your original option beneficiary dies after the effective date of your retirement and you had elected Option 2, 3, 4 or 5 or one of these options for an option beneficiary(ies) under Option 8, you may elect an option again. However, you cannot return to the unmodified benefit unless you elected Option 6 or 7. You may elect a new option beneficiary by completing the required form and submitting a copy of the certified death certificate to CalSTRS. A further reduction to your allowance will be made.

2. Divorce—You may cancel your option election if the option beneficiary is your spouse or former spouse and on or after January 1, 1978:

- a final decree of dissolution of marriage has been entered, or
- a judgement of nullity has been entered, or
- an order of separate maintenance has been made



SECTION V

SERVICE RETIREMENT



After you notify CalSTRS, you may elect to receive the unmodified retirement allowance from the date of receipt of notification or to elect a new option. You may also designate a new option beneficiary. Your choice must be consistent with your court order and must not result in any additional liability to the Teachers' Retirement Fund.

Note: If you cancel your option election as a result of a divorce and elect to receive your unmodified allowance, the amount that your unmodified allowance was previously reduced will not be reimbursed to you.

3. Spouse—If you had previously designated a person other than your spouse or former spouse as your option beneficiary, you may cancel your option election and elect an option designating your spouse as your option beneficiary. Your allowance will be subject to an actuarial modification based on your age and the ages of your prior beneficiary and your spouse.

4. Newly Married—If you were unmarried at retirement and receiving an unmodified allowance, you can choose an option and name your new spouse as an option beneficiary if you later marry. You must have been married at least one year when the option is selected and the option beneficiary is named. The unmodified allowance you were receiving will be actuarially reduced to reflect the potential life spans of the member and option beneficiary. The option selection and beneficiary addition will be effective six months after the designation is received by CalSTRS.

Allowance Adjustment

When you choose a new option and/or new option beneficiary(ies), an adjustment to your allowance will be made. Before changing your option or choosing a new option beneficiary(ies), you are encouraged to meet with a CalSTRS regional counselor to obtain an estimate of your allowance based on the new choice.

Option Worksheets

The following examples* are based on a member who chooses an option at the time of retirement. Both the member and the option beneficiary are age 60 on the effective date of retirement.

Option 2

Under Option 2, you will receive a modified retirement allowance. Upon your death, your option beneficiary will receive the same modified allowance for the remainder of his or her lifetime.

Unmodified Allowance

Example	Your Estimate
\$1,886.11	\$ _____
x Option Factor[▲]	
x .8791	x _____
= Option 2 Allowance to Member or Option Beneficiary	
\$1,658.08	\$ _____

Option 3

Under Option 3, you will receive a modified retirement allowance. Upon your death, your option beneficiary will receive one-half the modified allowance you were receiving for the remainder of his or her lifetime.

Unmodified Allowance

Example	Your Estimate
\$1,886.11	\$ _____
x Option Factor[▲]	
x .9476	x _____
= Option 3 Allowance to Member	
\$1,787.28	\$ _____
1/2 to Option Beneficiary	
\$893.64	\$ _____

**These examples are based on factors retrieved from the following tables and applied to the unmodified allowance calculated on page 29. Minor differences may occur when actual calculations are performed as the age of the member and option beneficiary are based on the nearest quarter year of age.*

▲To find the option factor, locate the member's age, option beneficiary's age and option number on the chart on pages 36 and 37.

SECTION V

SERVICE RETIREMENT

Option 4

Under Option 4, you will receive a modified retirement allowance. Upon the death of either you or your option beneficiary, two-thirds the monthly amount you were receiving will be payable to the survivor for his or her lifetime.

Unmodified Allowance

Example	Your Estimate
\$1,886.11	\$ _____

x Option Factor*

x .9410	x _____
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= Option 4 Allowance to Member

\$1,774.83	\$ _____
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2/3 to Survivor

\$1,183.22	\$ _____
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Option 5

Under Option 5, you will receive a modified retirement allowance. Upon the death of either you or your option beneficiary, one-half the monthly amount you were receiving will be payable to the survivor for his or her lifetime.

Unmodified Allowance

Example	Your Estimate
\$1,886.11	\$ _____

x Option Factor*

x .9831	x _____
---------	---------

= Option 5 Allowance to Member

\$1,854.23	\$ _____
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1/2 to Survivor

\$ 927.12	\$ _____
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Option 6

Under Option 6, you will receive a modified retirement allowance. Upon your death, your option beneficiary will continue to receive the same modified allowance for his or her lifetime. If the option beneficiary predeceases you, your allowance will rise to the unmodified amount.

Unmodified Allowance

Example	Your Estimate
\$1,886.11	\$ _____

(payable to member upon death of Option Beneficiary)

x Option Factor*

x .8665	x _____
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= Option 6 Allowance to Member or Option Beneficiary

\$1,634.31	\$ _____
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Option 7

Under Option 7, you will receive a modified retirement allowance. Upon your death, your option beneficiary will receive one-half the modified allowance you were receiving for his or her lifetime. If the option beneficiary predeceases you, your allowance will rise to the unmodified amount.

Unmodified Allowance

Example	Your Estimate
\$1,886.11	\$ _____

(payable to member upon death of Option Beneficiary)

x Option Factor*

x .9408	x _____
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= Option 7 Allowance to Member

\$1,774.45	\$ _____
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1/2 to Option Beneficiary

\$ 887.23	\$ _____
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**To find the option factor, locate the member's age, option beneficiary's age and option number on the chart on pages 36 and 37.*



SECTION V

SERVICE RETIREMENT



Option 8

Under Option 8, you will receive a modified retirement allowance. Upon your death, your option beneficiaries will each receive an allowance as provided by the calculation formula used under each option selected. You must select at least two beneficiaries under Option 8.

Example – Option 8				
	Member	Beneficiary 1	Beneficiary 2	
1. Member's unmodified allowance	\$1,886.11			
2. Percentages of unmodified allowance allotted as unmodified to member (if any) and to each beneficiary	40%	40%	20%	
3. Amount of unmodified allowance allotted to member and each beneficiary (Multiply #1 by #2 and enter)	\$754.44	\$754.44	\$377.22	
4. Option number selected for each beneficiary		#6	#2	
5. Option beneficiary's age		60	30	
6. Option factor (Using Option Tables, locate factor based on member age, beneficiary age and option.)		.8665	.7674	
7. Allowance to each option beneficiary upon member's death (Multiply #3 by #6 then enter)		\$653.72	\$289.48	
8. Member's modified allowance (Add #7 to column 1 of #3)	\$754.44 + \$653.72 + 289.48 = \$ 1,697.64			

(Use additional worksheets if selecting more than two option beneficiaries.)

Your Estimate	Member	Beneficiary 1	Beneficiary 2	
1. Member's unmodified allowance	\$ _____			
2. Percentages of unmodified allowance allotted as unmodified to member (if any) and to each beneficiary*	% _____	% _____	% _____	
3. Amount of unmodified allowance allotted to member and each beneficiary (Multiply #1 by #2 and enter)	\$ _____	\$ _____	\$ _____	
4. Option number selected for each beneficiary		# _____	# _____	
5. Option beneficiary's age		_____	_____	
6. Option factor (Using Option Tables, locate factor based on member age, beneficiary age and option.)		_____	_____	
7. Allowance to each option beneficiary upon member's death (Multiply #3 by #6 then enter)		\$ _____	\$ _____	
8. Member's modified allowance (Add #7 from all option beneficiary worksheets to column 1 of #3)	_____			

* Percentages assigned to all option beneficiaries and the percentage, if any, retained as unmodified must equal 100 percent.

Service Retirement Option Factor Tables

SECTION V

SERVICE RETIREMENT

MBR	BEN	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6	Opt 7
55	5	0.8063	0.9015	0.8592	0.8925	0.8061	0.9014
55	10	0.8089	0.9032	0.8612	0.8943	0.8086	0.9030
55	15	0.8123	0.9055	0.8640	0.8969	0.8118	0.9051
55	20	0.8168	0.9084	0.8674	0.9000	0.8160	0.9079
55	25	0.8227	0.9121	0.8719	0.9040	0.8217	0.9115
55	30	0.8304	0.9170	0.8781	0.9095	0.8292	0.9162
55	35	0.8405	0.9231	0.8863	0.9170	0.8388	0.9220
55	40	0.8532	0.9307	0.8973	0.9273	0.8507	0.9291
55	45	0.8686	0.9394	0.9116	0.9414	0.8649	0.9372
55	50	0.8865	0.9492	0.9302	0.9606	0.8812	0.9461
55	55	0.9061	0.9593	0.9539	0.9868	0.8986	0.9553
55	60	0.9260	0.9690	0.9836	1.0222	0.9160	0.9640
55	65	0.9446	0.9776	1.0193	1.0683	0.9324	0.9719
55	70	0.9606	0.9847	1.0607	1.1259	0.9469	0.9787
56	5	0.7950	0.8951	0.8506	0.8856	0.7948	0.8950
56	10	0.7976	0.8968	0.8526	0.8875	0.7973	0.8966
56	15	0.8010	0.8991	0.8553	0.8900	0.8004	0.8987
56	20	0.8054	0.9020	0.8588	0.8932	0.8047	0.9015
56	25	0.8113	0.9058	0.8633	0.8971	0.8104	0.9052
56	30	0.8191	0.9108	0.8694	0.9026	0.8179	0.9100
56	35	0.8292	0.9171	0.8777	0.9101	0.8275	0.9159
56	40	0.8421	0.9248	0.8888	0.9204	0.8396	0.9232
56	45	0.8579	0.9340	0.9032	0.9344	0.8541	0.9317
56	50	0.8764	0.9442	0.9220	0.9536	0.8709	0.9411
56	55	0.8970	0.9550	0.9460	0.9798	0.8892	0.9508
56	60	0.9182	0.9655	0.9762	1.0153	0.9077	0.9602
56	65	0.9384	0.9750	1.0125	1.0614	0.9254	0.9688
56	70	0.9560	0.9828	1.0546	1.1190	0.9412	0.9763
57	5	0.7831	0.8883	0.8415	0.8783	0.7830	0.8882
57	10	0.7857	0.8901	0.8435	0.8802	0.7854	0.8898
57	15	0.7891	0.8924	0.8463	0.8827	0.7885	0.8920
57	20	0.7935	0.8953	0.8497	0.8859	0.7928	0.8948
57	25	0.7994	0.8991	0.8542	0.8898	0.7984	0.8985
57	30	0.8071	0.9042	0.8604	0.8953	0.8059	0.9033
57	35	0.8173	0.9106	0.8686	0.9028	0.8156	0.9094
57	40	0.8304	0.9186	0.8797	0.9131	0.8278	0.9169
57	45	0.8465	0.9281	0.8943	0.9271	0.8427	0.9257
57	50	0.8656	0.9388	0.9132	0.9463	0.8600	0.9355
57	55	0.8871	0.9503	0.9376	0.9725	0.8790	0.9459
57	60	0.9097	0.9617	0.9682	1.0079	0.8987	0.9560
57	65	0.9314	0.9720	1.0052	1.0540	0.9176	0.9654
57	70	0.9507	0.9806	1.0480	1.1117	0.9348	0.9735
58	5	0.7707	0.8811	0.8320	0.8707	0.7705	0.8810
58	10	0.7732	0.8829	0.8340	0.8725	0.7729	0.8826
58	15	0.7766	0.8852	0.8367	0.8750	0.7760	0.8848
58	20	0.7810	0.8882	0.8402	0.8782	0.7802	0.8876
58	25	0.7868	0.8920	0.8447	0.8821	0.7858	0.8914
58	30	0.7945	0.8971	0.8508	0.8875	0.7933	0.8963
58	35	0.8048	0.9037	0.8591	0.8950	0.8030	0.9025
58	40	0.8179	0.9119	0.8702	0.9053	0.8153	0.9102
58	45	0.8343	0.9217	0.8848	0.9193	0.8304	0.9193
58	50	0.8540	0.9330	0.9039	0.9385	0.8482	0.9296
58	55	0.8765	0.9452	0.9286	0.9647	0.8681	0.9405
58	60	0.9004	0.9574	0.9597	1.0001	0.8888	0.9514
58	65	0.9238	0.9687	0.9973	1.0463	0.9090	0.9615
58	70	0.9448	0.9782	1.0409	1.1040	0.9276	0.9705

MBR	BEN	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6	Opt 7
59	5	0.7576	0.8735	0.8220	0.8625	0.7574	0.8734
59	10	0.7601	0.8753	0.8240	0.8644	0.7597	0.8750
59	15	0.7634	0.8776	0.8267	0.8669	0.7629	0.8772
59	20	0.7678	0.8806	0.8302	0.8700	0.7670	0.8800
59	25	0.7735	0.8845	0.8346	0.8739	0.7726	0.8838
59	30	0.7813	0.8897	0.8407	0.8794	0.7800	0.8888
59	35	0.7915	0.8963	0.8490	0.8869	0.7897	0.8952
59	40	0.8047	0.9048	0.8601	0.8971	0.8021	0.9031
59	45	0.8214	0.9149	0.8748	0.9111	0.8175	0.9125
59	50	0.8416	0.9267	0.8941	0.9302	0.8357	0.9232
59	55	0.8649	0.9396	0.9191	0.9564	0.8563	0.9347
59	60	0.8902	0.9527	0.9506	0.9918	0.8781	0.9463
59	65	0.9153	0.9650	0.9889	1.0380	0.8996	0.9573
59	70	0.9382	0.9755	1.0333	1.0958	0.9197	0.9671
60	5	0.7439	0.8655	0.8115	0.8540	0.7437	0.8654
60	10	0.7463	0.8672	0.8135	0.8558	0.7460	0.8670
60	15	0.7497	0.8696	0.8162	0.8583	0.7491	0.8692
60	20	0.7540	0.8726	0.8196	0.8615	0.7532	0.8720
60	25	0.7597	0.8766	0.8241	0.8654	0.7587	0.8759
60	30	0.7674	0.8818	0.8302	0.8708	0.7661	0.8809
60	35	0.7776	0.8886	0.8384	0.8782	0.7758	0.8874
60	40	0.7909	0.8972	0.8496	0.8885	0.7883	0.8954
60	45	0.8077	0.9077	0.8643	0.9024	0.8038	0.9051
60	50	0.8284	0.9200	0.8837	0.9216	0.8224	0.9163
60	55	0.8525	0.9336	0.9089	0.9477	0.8436	0.9284
60	60	0.8791	0.9476	0.9410	0.9831	0.8665	0.9408
60	65	0.9059	0.9609	0.9799	1.0293	0.8894	0.9527
60	70	0.9308	0.9725	1.0251	1.0872	0.9110	0.9634
61	5	0.7296	0.8570	0.8006	0.8450	0.7295	0.8569
61	10	0.7321	0.8588	0.8025	0.8468	0.7318	0.8586
61	15	0.7354	0.8612	0.8052	0.8493	0.7348	0.8607
61	20	0.7396	0.8642	0.8086	0.8524	0.7389	0.8636
61	25	0.7453	0.8682	0.8130	0.8563	0.7443	0.8675
61	30	0.7529	0.8734	0.8191	0.8617	0.7516	0.8725
61	35	0.7631	0.8803	0.8274	0.8692	0.7613	0.8791
61	40	0.7764	0.8891	0.8385	0.8794	0.7738	0.8874
61	45	0.7934	0.9000	0.8533	0.8933	0.7894	0.8974
61	50	0.8145	0.9128	0.8728	0.9124	0.8084	0.9090
61	55	0.8394	0.9271	0.8983	0.9385	0.8302	0.9217
61	60	0.8672	0.9421	0.9307	0.9739	0.8541	0.9349
61	65	0.8957	0.9564	0.9703	1.0201	0.8783	0.9477
61	70	0.9227	0.9691	1.0163	1.0780	0.9015	0.9593
62	5	0.7148	0.8481	0.7891	0.8355	0.7147	0.8480
62	10	0.7173	0.8499	0.7911	0.8374	0.7170	0.8497
62	15	0.7205	0.8523	0.7938	0.8399	0.7200	0.8519
62	20	0.7248	0.8554	0.7972	0.8430	0.7240	0.8548
62	25	0.7303	0.8594	0.8015	0.8469	0.7293	0.8586
62	30	0.7379	0.8647	0.8076	0.8523	0.7366	0.8638
62	35	0.7480	0.8717	0.8158	0.8597	0.7462	0.8704
62	40	0.7613	0.8807	0.8269	0.8699	0.7587	0.8789
62	45	0.7784	0.8918	0.8417	0.8838	0.7744	0.8891
62	50	0.7998	0.9051	0.8613	0.9028	0.7936	0.9011
62	55	0.8254	0.9201	0.8870	0.9289	0.8161	0.9145
62	60	0.8544	0.9360	0.9199	0.9642	0.8409	0.9285
62	65	0.8847	0.9515	0.9600	1.0104	0.8665	0.9422
62	70	0.9137	0.9654	1.0070	1.0684	0.8913	0.9548

MBR=member's age

BEN=beneficiary's age

Service Retirement Option Factor Tables

MBR	BEN	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6	Opt 7
63	5	0.6995	0.8388	0.7772	0.8257	0.6994	0.8387
63	10	0.7019	0.8406	0.7792	0.8275	0.7016	0.8404
63	15	0.7052	0.8430	0.7818	0.8300	0.7046	0.8426
63	20	0.7093	0.8461	0.7852	0.8331	0.7085	0.8455
63	25	0.7148	0.8501	0.7896	0.8369	0.7138	0.8494
63	30	0.7223	0.8555	0.7956	0.8423	0.7210	0.8545
63	35	0.7323	0.8625	0.8038	0.8497	0.7305	0.8613
63	40	0.7456	0.8717	0.8148	0.8599	0.7430	0.8699
63	45	0.7627	0.8831	0.8296	0.8737	0.7588	0.8804
63	50	0.7844	0.8969	0.8493	0.8928	0.7782	0.8928
63	55	0.8106	0.9126	0.8752	0.9188	0.8012	0.9068
63	60	0.8407	0.9295	0.9084	0.9541	0.8268	0.9216
63	65	0.8727	0.9462	0.9492	1.0002	0.8537	0.9363
63	70	0.9039	0.9613	0.9970	1.0583	0.8802	0.9499

64	5	0.6837	0.8290	0.7648	0.8153	0.6836	0.8289
64	10	0.6861	0.8309	0.7668	0.8171	0.6858	0.8306
64	15	0.6893	0.8333	0.7694	0.8196	0.6887	0.8328
64	20	0.6933	0.8364	0.7728	0.8227	0.6925	0.8357
64	25	0.6987	0.8404	0.7771	0.8265	0.6978	0.8396
64	30	0.7061	0.8458	0.7831	0.8319	0.7049	0.8449
64	35	0.7160	0.8529	0.7912	0.8393	0.7143	0.8517
64	40	0.7292	0.8622	0.8023	0.8494	0.7267	0.8604
64	45	0.7464	0.8739	0.8170	0.8632	0.7425	0.8712
64	50	0.7682	0.8881	0.8368	0.8822	0.7621	0.8840
64	55	0.7950	0.9046	0.8627	0.9082	0.7855	0.8986
64	60	0.8262	0.9224	0.8963	0.9434	0.8119	0.9142
64	65	0.8598	0.9403	0.9377	0.9895	0.8401	0.9298
64	70	0.8932	0.9568	0.9864	1.0476	0.8682	0.9446

65	5	0.6674	0.8188	0.7520	0.8045	0.6673	0.8187
65	10	0.6697	0.8206	0.7539	0.8063	0.6694	0.8204
65	15	0.6729	0.8231	0.7566	0.8088	0.6723	0.8226
65	20	0.6769	0.8262	0.7599	0.8118	0.6761	0.8255
65	25	0.6822	0.8302	0.7641	0.8157	0.6812	0.8295
65	30	0.6894	0.8357	0.7701	0.8210	0.6882	0.8347
65	35	0.6992	0.8429	0.7782	0.8284	0.6975	0.8416
65	40	0.7123	0.8523	0.7892	0.8385	0.7098	0.8505
65	45	0.7295	0.8643	0.8039	0.8522	0.7256	0.8615
65	50	0.7514	0.8789	0.8236	0.8711	0.7453	0.8747
65	55	0.7786	0.8960	0.8497	0.8970	0.7690	0.8899
65	60	0.8107	0.9148	0.8836	0.9322	0.7962	0.9063
65	65	0.8460	0.9340	0.9255	0.9783	0.8256	0.9229
65	70	0.8816	0.9518	0.9751	1.0364	0.8553	0.9389

66	5	0.6507	0.8082	0.7387	0.7932	0.6505	0.8081
66	10	0.6530	0.8100	0.7406	0.7950	0.6527	0.8098
66	15	0.6560	0.8125	0.7432	0.7975	0.6555	0.8120
66	20	0.6600	0.8155	0.7465	0.8005	0.6592	0.8149
66	25	0.6652	0.8196	0.7507	0.8044	0.6642	0.8188
66	30	0.6723	0.8251	0.7566	0.8097	0.6711	0.8241
66	35	0.6819	0.8324	0.7647	0.8170	0.6803	0.8311
66	40	0.6949	0.8419	0.7756	0.8271	0.6924	0.8401
66	45	0.7120	0.8541	0.7903	0.8408	0.7082	0.8513
66	50	0.7340	0.8692	0.8100	0.8596	0.7279	0.8649
66	55	0.7616	0.8869	0.8362	0.8854	0.7520	0.8806
66	60	0.7945	0.9067	0.8703	0.9205	0.7798	0.8978
66	65	0.8312	0.9271	0.9127	0.9666	0.8103	0.9155
66	70	0.8690	0.9464	0.9631	1.0247	0.8416	0.9327

MBR	BEN	Opt 2	Opt 3	Opt 4	Opt 5	Opt 6	Opt 7
67	5	0.6336	0.7971	0.7250	0.7815	0.6335	0.7970
67	10	0.6359	0.7989	0.7269	0.7833	0.6356	0.7987
67	15	0.6389	0.8014	0.7295	0.7858	0.6383	0.8009
67	20	0.6427	0.8045	0.7327	0.7888	0.6420	0.8038
67	25	0.6478	0.8085	0.7369	0.7926	0.6469	0.8078
67	30	0.6548	0.8140	0.7427	0.7979	0.6536	0.8131
67	35	0.6643	0.8214	0.7507	0.8052	0.6627	0.8201
67	40	0.6771	0.8311	0.7616	0.8152	0.6747	0.8292
67	45	0.6940	0.8435	0.7762	0.8288	0.6903	0.8407
67	50	0.7161	0.8589	0.7959	0.8476	0.7101	0.8546
67	55	0.7439	0.8773	0.8221	0.8733	0.7343	0.8709
67	60	0.7775	0.8980	0.8564	0.9084	0.7627	0.8888
67	65	0.8156	0.9197	0.8993	0.9543	0.7942	0.9076
67	70	0.8555	0.9405	0.9505	1.0124	0.8272	0.9260

68	5	0.6163	0.7855	0.7109	0.7693	0.6162	0.7854
68	10	0.6185	0.7874	0.7127	0.7711	0.6183	0.7872
68	15	0.6215	0.7899	0.7153	0.7736	0.6209	0.7894
68	20	0.6253	0.7930	0.7185	0.7766	0.6245	0.7923
68	25	0.6302	0.7970	0.7227	0.7804	0.6293	0.7963
68	30	0.6371	0.8025	0.7284	0.7856	0.6359	0.8016
68	35	0.6464	0.8099	0.7363	0.7929	0.6448	0.8086
68	40	0.6590	0.8197	0.7471	0.8028	0.6566	0.8179
68	45	0.6758	0.8323	0.7616	0.8164	0.6721	0.8295
68	50	0.6977	0.8481	0.7812	0.8351	0.6919	0.8438
68	55	0.7257	0.8671	0.8075	0.8608	0.7162	0.8606
68	60	0.7599	0.8887	0.8419	0.8957	0.7451	0.8793
68	65	0.7993	0.9117	0.8853	0.9416	0.7776	0.8991
68	70	0.8412	0.9341	0.9372	0.9996	0.8121	0.9189

69	5	0.5988	0.7735	0.6963	0.7567	0.5987	0.7734
69	10	0.6009	0.7754	0.6982	0.7585	0.6007	0.7752
69	15	0.6039	0.7779	0.7007	0.7609	0.6033	0.7774
69	20	0.6075	0.7810	0.7039	0.7639	0.6068	0.7803
69	25	0.6124	0.7850	0.7080	0.7677	0.6115	0.7843
69	30	0.6191	0.7905	0.7137	0.7729	0.6179	0.7896
69	35	0.6282	0.7980	0.7215	0.7801	0.6267	0.7967
69	40	0.6406	0.8078	0.7322	0.7900	0.6383	0.8060
69	45	0.6572	0.8206	0.7466	0.8036	0.6536	0.8178
69	50	0.6790	0.8368	0.7661	0.8222	0.6733	0.8324
69	55	0.7070	0.8563	0.7923	0.8477	0.6977	0.8497
69	60	0.7418	0.8789	0.8269	0.8825	0.7270	0.8692
69	65	0.7822	0.9031	0.8706	0.9283	0.7603	0.8901
69	70	0.8261	0.9271	0.9233	0.9863	0.7963	0.9112

70	5	0.5811	0.7610	0.6814	0.7436	0.5810	0.7609
70	10	0.5832	0.7628	0.6832	0.7454	0.5829	0.7626
70	15	0.5860	0.7653	0.6857	0.7478	0.5855	0.7649
70	20	0.5896	0.7684	0.6888	0.7508	0.5889	0.7678
70	25	0.5944	0.7725	0.6929	0.7545	0.5935	0.7717
70	30	0.6009	0.7780	0.6985	0.7597	0.5998	0.7771
70	35	0.6098	0.7855	0.7062	0.7669	0.6083	0.7842
70	40	0.6220	0.7954	0.7168	0.7767	0.6197	0.7936
70	45	0.6383	0.8084	0.7311	0.7902	0.6349	0.8056
70	50	0.6599	0.8248	0.7505	0.8087	0.6544	0.8205
70	55	0.6879	0.8449	0.7766	0.8341	0.6788	0.8383
70	60	0.7230	0.8684	0.8112	0.8688	0.7084	0.8585
70	65	0.7644	0.8939	0.8552	0.9144	0.7424	0.8804
70	70	0.8101	0.9195	0.9085	0.9723	0.7798	0.9028

MBR=member's age

BEN=beneficiary's age





SECTION V

SERVICE RETIREMENT



Guidelines for the Service Retirement Application Process


Seek Retirement Counseling (See Section IV, What to Consider Before Retirement)



Six to 12 months before your expected retirement date, see a regional counselor. The counselor can provide you with an allowance estimate based on the various options available


and help you fill out your retirement application.

Obtain an Application for Retirement




About six months before your expected retirement date, call or write to CalSTRS or contact your employer or your county superintendent of schools to obtain an application for retirement. (See Section X, General Information, for Teletalk messages.)

Complete and Submit the Application by Certified Mail



Complete and mail the application forms to CalSTRS as early as possible, but do not mail them earlier than six months before your retirement date. CalSTRS must receive the application no later than the last day of the month in which your retirement is to become effective. Whether you choose an unmodified allowance or an option, this will be your final election unless you notify CalSTRS in writing before the effective date of retirement.

Complete and Return the Beneficiary Designation



Always keep your CalSTRS beneficiary designation up to date, including your beneficiary(ies) addresses, even after retirement. This designation applies to the lump sum payable upon the member's death. This is not related to the selection of an option beneficiary.

Complete Health Insurance Premium Deduction Authorization

You should also contact your district for procedures to continue your health insurance, since practices vary among districts.

Verify Birthdays and Marriage

If you elect an option, you must submit documentation verifying your option beneficiary's(ies') date of birth unless your option beneficiary(ies) is a CalSTRS member. Under some circumstances, CalSTRS will request verification of your birth date.



Acceptable documentation for birth date verification is listed in order of preference:

- copy of certified birth record (recorded at least seven years before application for CalSTRS benefits)
- copy of certified church baptismal record (recorded within six years of birth)
- copy of transcript of listing in federal census (recorded within ten years of birth).

If the name has been changed from the name shown on the record of birth, a copy of the certified marriage certificate or court order documenting the change is required.

If you have the necessary birth and marriage certificates required for election of an option, enclose copies with your application. However, do not postpone filing an application if you must obtain the required documents.

What if I cannot locate any of the acceptable documentation?

If the required document cannot be secured, forward the notice you receive from the official record keeper showing that no record is available. CalSTRS will help you secure other acceptable documentation.

Mail Application

After you have completed your service retirement application forms, return the original application to CalSTRS in Sacramento by certified mail, return receipt requested. Retain a copy for your records.

Do NOT submit your application to your employer. Your employer is not responsible for the timely submission of your retirement application to CalSTRS.

What CalSTRS does upon receipt of your Retirement Application

Acknowledge receipt of your application

The post office will return the certified receipt acknowledging delivery of your application forms. Within two to three weeks, CalSTRS will mail you a letter acknowledging receipt of your application.

Provide a retirement allowance calculation letter

CalSTRS will send a letter detailing your monthly estimated allowance before issuing your first allowance payment.

Send your retirement allowance monthly

CalSTRS will issue your first monthly allowance payment approximately 30–45 days after the effective date of retirement or the date your application is received (whichever is later). You will receive your DBS benefit, whether it is paid in a lump sum or a monthly benefit as a separate payment.

Send an adjustment letter

Your retirement allowance may be adjusted retroactively to your retirement date upon receipt of any additional information (sick leave, Golden Handshake, salary information from your employer, etc.).

CalSTRS will send you an adjustment letter(s), showing the previous payments made, the correct allowance payable and the recon-

ciliation of those amounts. If a retroactive amount is due, it will be paid shortly after the adjustment letter(s) is mailed.

The adjustment letter(s) will also show the total amount of your contributions as a Defined Benefit member. You should save the last letter to assist you in determining your income tax liability.

Direct Deposit

If you want the quickest possible access to your monthly retirement payment, sign up for CalSTRS Direct Deposit service. Direct Deposit is the fastest, safest and most convenient method of receiving your monthly payment.

- It's the fastest because your money is deposited immediately and automatically into your account. If you have your check sent to your home, you will experience some delay from the time the check is mailed to the time you can access your money.
- It's the safest because your money goes from one source directly to the other via computer. You don't have to worry about a check being stolen, lost or delayed in the mail.
- It's the most convenient because your money is automatically deposited with your financial institution. This is particularly important if you do not have easy access to your financial institution.

With Direct Deposit, your money will be credited electronically to your bank account on the day your check is issued. A Direct Deposit Advice will be sent to your mailing address on the first of each month. Funds may be deposited into a checking or savings account in any U.S. financial institution you choose.

CalSTRS supports and encourages enrollment in Direct Deposit.

If you would like Direct Deposit, you can use the enrollment form included in the retirement application packet. The form is also available by request from the CalSTRS automated telephone system or the Public Service Office at 800-228-5453 or 916-229-3870. You can download the Direct Deposit form from the CalSTRS Web site at www.calstrs.ca.gov.



SECTION V

SERVICE RETIREMENT





SECTION V



SERVICE RETIREMENT

Health Insurance


CalSTRS does not provide health insurance coverage. However, CalSTRS will pay the Medicare Part A premium for members who retire before January 1, 2006, and are not otherwise eligible for premium-free Part A and who enroll in Medicare Parts A and B.

Members who retire between January 1, 2001, and December 31, 2005, must meet these specific criteria:

- Retire on or after January 1, 2001, and not be eligible for Medicare Part A without payment of a premium **AND**
- Enroll in Medicare Parts A and B at age 65

AND

- Retire from a school district that either:
 - a. Had an election to permit certificated employees to be covered by the Medicare payroll tax prior to January 1, 2001, **OR**
 - b. Has completed or is conducting the election on or after January 1, 2001, and if the member was less than 58 years of age at the time of the election, the individual member elected to pay the Medicare payroll tax. Members must retire during or after the 10-day election period.



In addition, you may authorize CalSTRS to deduct Medicare Part B and other group insurance premiums from your monthly retirement allowance. Information on this subject is included in the service retirement application packet.

A Medicare Premium Payment Program informational packet will be mailed to retired members as they approach their 65th birthday.

At a later date, the Teachers' Retirement Board may extend eligibility for payment of Medicare Part A premiums to members who retire on or after January 1, 2006.

Post-Retirement Employment ***Employment restrictions after retirement***

Your only restrictions on employment after service retirement are within the public school system of California.*

**The Education Code prohibits employment in a classified position while a member is retired for*

service. The only exception is employment as a teacher's aide in certain circumstances.

You may accept employment outside the California public school system in any capacity and continue to receive your CalSTRS service retirement allowance with no limitation on your earnings.

However, if you are performing creditable service (see Section XI, Glossary) in kindergarten through community college as an employee of a public school district, an independent contractor or an employee of a third party, there is a restriction on the amount you can earn without affecting your CalSTRS service retirement allowance. (See Limitation Exemptions below for exceptions.)

Starting January 1, 2003, the limit on post-retirement earnings from public school employment is \$24,934. That limit is adjusted each July 1. CalSTRS notifies employers and retired members of each year's post-retirement earnings limit.

As of July 1, 2002, this restriction also includes earnings from teaching summer school and intersession. Post-retirement employment for creditable service may not begin earlier than your effective date of retirement. Your CalSTRS retirement allowance will be reduced by the amount of creditable earnings from public school employment in excess of the limit established by law.



For more information on the earnings limit, call CalSTRS Teletalk at 800-228-5453, message #372.

Limitation Exemptions

Post-retirement earnings are exempted from limitations under the following circumstances, provided documentation for the exemption is submitted by your employer, if required:

- ♦ If you return to post-retirement, CalSTRS-covered employment without performing CalSTRS-covered service for at least 12 consecutive months after your retirement date (exemption ends January 1, 2008)
- ♦ If you are retired on or before July 1, 2000, and for as long as you are providing direct remedial education in a classroom for grade 2 through 12

- ♦ (until July 1, 2005) If you retired on or before January 1, 2000, and return to:
- ♦ provide direct instruction in K-12 classroom
- ♦ support or assess new teachers in Beginning Teacher Support and Assessment Program
- ♦ provide support to individuals completing student teaching assignments, in Preinternment Teaching Program, alternative certifications programs or in School Paraprofessional Teacher Training Program

Returning To The Classroom?

If you took a break from CalSTRS-covered employment, but plan to resume teaching, you may have to take the California Basic Educational Skills Test before returning to the classroom.

You may need to take the CBEST if:

1. You hold a life or clear credential that was issued before 1983; and
2. You have not been employed in a position requiring certification in any school district for 39 months or more.

For more information on the time constraints and possible exceptions, contact your employer.

Reinstatement to Active Member Status

Occasionally, a CalSTRS member retired for service decides to reinstate to active member status. You may be reinstated upon receipt of your written request to terminate your retirement allowance.

Before reinstatement to active member status, CalSTRS strongly recommends you write to the CalSTRS Service Retirement Division to request an estimate of your future benefits.

In your letter, include your Social Security number, address, telephone number and full name. In addition, state your estimated salary, how long you plan to be an active member again and if you will retain your same option (or select an option) when you retire.

*Reinstatement to active member status after receiving a disability allowance or a disability retirement differs in some points given below. Contact CalSTRS for additional details.

You should also be aware of the following*:

One Year Before Next Retirement

At least one year must elapse from the date of your reinstatement to active member status from either service retirement or disability retirement before you may retire again from CalSTRS.

Disability or Survivor Benefits

You must earn at least one year of service credit after the date of your reinstatement from service retirement before you qualify for disability benefits or for survivor benefits upon your death.

Golden Handshake

If you retired on or after January 1, 1985, and reinstate, you will lose any additional service credit that you may have acquired by participating in the Golden Handshake Program.

Pre-Retirement Election of an Option

You are not eligible to file a pre-retirement election of an option until one year has elapsed after the date of reinstatement from service retirement. However, if you retired for service under an option, that option will automatically become a pre-retirement election when you reinstate.

Coverage B

When eligible, you will be covered by Coverage B for survivor and disability benefits.

Allowance Calculation

Reinstate for less than two years: if you reinstated on or after September 30, 1992, when you retire for service a second time with less than two years of new service credit, your new service retirement allowance will be equal to the sum of both the following:

1. An amount equal to the last unmodified allowance received immediately before reinstatement, increased by the 2 percent COLA that would have been applied to the allowance if you had not reinstated

PLUS



SECTION V

SERVICE RETIREMENT






SECTION V



SERVICE RETIREMENT

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2. An amount based on service earned since your last reinstatement, your age at the subsequent retirement and final compensation. (If your total credited service is 30 or more years, you may be eligible for the career factor on the credited service earned following reinstatement.)

Reinstate for two years or more: when you retire again on or after October 13, 2001, with two or more years of new service credit, all credited service earned during your entire career will be subject to the benefits in effect at the time of the subsequent retirement. The retirement allowance calculation will be adjusted to account for the period of retirement.



Discontinuing Deduction for Health Insurance Premiums

If CalSTRS is deducting health insurance premiums from your allowance and you decide to reinstate, you will need to make premium payment arrangements with your health insurance carrier.



Discontinuing Payment or Deduction of Medicare Premiums


If CalSTRS is paying your Medicare Part A or deducting your Medicare Part B premiums under the Medicare Premium Payment Program, you will have to pay these premiums yourself. To arrange payment, contact the Social Security Administration at 800-772-1213. When you retire again, you may reapply for the Medicare Premium Payment Program.

Beneficiary Designation

A lump-sum death payment will be payable to your designated beneficiary if you should die.



The lump-sum amount varies, depending on if you have Coverage A or B and if you die before or after retirement. See the Survivor Benefits Section for details.



This is a **separate** designation from your option beneficiary(ies) who receives an ongoing monthly allowance when you die. An individual, however, may be designated the beneficiary of both the lump-sum payment and the monthly allowance.

If no beneficiary(ies) designation is in effect on the date of death, the lump-sum death payment will be paid to your estate. A lump-sum death benefit, plus any accumulated contributions remaining in your account, will be paid to your designated beneficiary(ies) if you:

- were receiving a service retirement allowance at the time of death
- were receiving or eligible to receive a disability retirement allowance at the time of death
- had at least one year of service credit and died:
 - while an active CalSTRS member
 - within four months of terminating CalSTRS-covered employment
 - within four months after terminating a disability allowance, if no CalSTRS service was performed
 - within 12 months after the last day of paid CalSTRS-covered service, if on an approved leave of absence

A valid beneficiary designation, with the beneficiary's(ies') current address and phone number, will eliminate the need for a lengthy search for potential beneficiaries and reduce the amount of time necessary to process and distribute funds payable.

A beneficiary designation received by CalSTRS after January 1, 1987, remains valid until revoked by the member. Marriage, dissolution or annulment after that date **does not automatically** invalidate a beneficiary designation.

If, however, your most recent beneficiary designation was received before January 1, 1987, and a marriage, dissolution or annulment occurred after the designation was received by CalSTRS and before January 1, 1987, the designation is invalid.

Your CalSTRS annual statement of account identifies your designated beneficiaries. You can designate one or more beneficiaries, and there is no restriction on who you may name.

For additional information, call CalSTRS' automated telephone system at 800-228-5453 to request a beneficiary designation form. Or download it from the CalSTRS Web site at www.calstrs.ca.gov.